

The Coal Disposition Regulations, 1988

being

Chapter C-50.2 Reg 3 (effective July 8, 1988)
as amended by Saskatchewan Regulations
96/88, 93/92, 109/93, [24/2002](#), [56/2009](#) and [80/2013](#).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER C-50.2 Reg 3

The Crown Minerals Act

PART I

Short Title, Interpretation and Application

Title

- 1 These regulations may be cited as *The Coal Disposition Regulations, 1988*.

Interpretation

- 2(1) In these regulations and the appendix and schedule forming part of these regulations:

- (a) **“Act”** means *The Crown Minerals Act*;
- (b) **“administrator”** means the official of the department appointed by the minister to administer the granting of dispositions of Crown coal lands in accordance with the Act and these regulations;
- (c) **“approved”** means approved by the minister;
- (d) **“coal”** means a combustible sedimentary rock, other than peat, composed of altered and indurated photogenic carbonaceous material including moisture and any interspersed inorganic mineral substance;
- (e) **“Crown coal lands”** means the coal interest of the Crown in any lands in Saskatchewan, whether or not any other mineral rights or the surface rights in any of those lands are also the property of the Crown;
- (f) **“department”** means the department over which the minister presides;
- (g) **“disposition”** means the rights granted by the Crown under a permit granted pursuant to Part II or under a lease granted pursuant to Part III or Part IV, and includes any lease or any other right or privilege to explore or prospect for coal granted by the Crown under *The Coal Mining Regulations, 1957*;
- (h) **“disposition area”** means the surface area of the land to which the rights comprising a disposition relate and **“permit area”** and **“lease area”** have corresponding meanings;
- (i) **“disposition document”** means, in the case of a permit, the permit certificate issued by the department pursuant to Part II and, in the case of a lease, the instrument of lease signed by the lessee setting out the terms and conditions of a lease issued under Part III or Part IV and, in the case of any other disposition, the document issued by the department evidencing the disposition;

(j) **“disposition lands”** means the Crown coal lands contained within the boundaries of the disposition area continued vertically downward on all sides of the disposition area excluding any Crown coal lands specified in the disposition document as not included in the disposition, and **“permit lands”** and **“lease lands”** have corresponding meanings;

(k) **“highway”** means a road allowance or a road, street or lane, vested in Her Majesty or set aside for such purpose under *The North-West Territories Act* or an Act of Saskatchewan, and includes a bridge, culvert, drain or other public improvement erected upon or in connection with such public highway;

(l) **“holder”** means the person who is shown on the records of the department as the owner of an interest in a disposition;

(m) **“operator”** includes:

(i) the person who has the right to operate a mine; or

(ii) the person designated by the minister as the operator of the mine for the purposes of these regulations;

whether he does so himself or through any other person;

(n) **“person”** includes a natural person, corporation, company, government, governmental agency, Crown corporation, syndicate, trust, firm, partnership, co-owner or party and includes the successors, heirs, executors, administrators and other legal representatives of such a person;

(o) **“road allowance”** means a road allowance laid out under the authority of a statute of Canada or Saskatchewan;

(p) **“surveyed area”** means an area surveyed into townships and sections in accordance with *The Land Surveys Act*; and

(q) **“UTM grid”** means the Universal Transverse Mercator Grid System as applied to the National Topographic System of maps.

(2) In these regulations, any reference to any enactment of the Parliament of Canada includes a reference to any regulations, orders or other statutory instruments made pursuant thereto and shall be deemed to be a reference thereto as re-enacted, amended, revised or consolidated as at January 1, 1988.

22 Jly 88 cC-50.2 Reg 3 s2.

Ministerial orders

3 These regulations are subject to any orders made by the minister under the Act.

22 Jly 88 cC-50.2 Reg 3 s3.

Application

4(1) These regulations apply to all Crown coal, to all Crown coal lands which are not subject to a disposition, to any Crown coal lands for which a disposition is granted pursuant to these regulations or for which a disposition was granted pursuant to the *The Coal Mining Regulations, 1957* except, in any case, to the Crown coal and Crown coal lands in respect of which a title has been issued in the name of an agent of the Crown pursuant to *The Land Titles Act, 2000* and to Crown coal and Crown coal lands transferred pursuant to subsection 3(4) of the Act.

- (2) Without limiting the general application of subsection (1):
- (a) a permit under *The Coal Mining Regulations, 1957* shall be deemed to be a permit under these regulations; and
 - (b) a lease under *The Coal Mining Regulations, 1957* or any former Coal Mining Regulations shall be deemed to be a lease under these regulations.
- (3) These regulations are binding upon Her Majesty the Queen in right of Canada or in right of any province, and upon any person acting for or on behalf of Her Majesty the Queen in right of Canada or in right of any province.

22 Jly 88 cC-50.2 Reg 3 s4; 22 Mar 2002 SR 24/
2002 s3.

PART II

Permits

Permits

- 5(1) The minister may grant a permit to explore Crown coal lands which are available for disposition and the permit shall be deemed to be a chattel real.
- (2) Subject to section 48, a permit shall grant to the holder the exclusive right to explore for coal within the permit lands.
- (3) A holder of a permit who has complied with the Act and these regulations shall be entitled to convert his permit to a lease or leases in accordance with subsection 14(2).
- (4) Subject to subsection (5), a permit does not grant the holder the right to extract, recover or produce coal from the permit lands.
- (5) A holder of a permit may extract and remove samples of coal from the permit lands for the purpose of analysing and testing and for mineralogical or other scientific studies.

22 Jly 88 cC-50.2 Reg 3 s5.

Application for permit

- 6(1) An application for a permit shall be submitted in writing to the administrator.
- (2) An application for a permit to explore Crown coal lands shall be accompanied by:
- (a) in a surveyed area, a legal description of the land to be included in the permit and a plan of the proposed boundaries of the permit area;
 - (b) in an unsurveyed area, a topographic map at a scale of at least 1:50,000 showing the 1000 metre UTM grid and the boundaries of the permit area, and a written description of the lands to be included in the permit reference to the UTM grid;

and shall further be accompanied by:

- (c) the recording fee prescribed in Appendix 1;

- (d) the rental fee for the first year prescribed in Appendix 1; and
- (e) a statement containing:
 - (i) details of the exploration operations the applicant intends to carry out on the proposed permit lands;
 - (ii) details of the expenditures he intends to make in carrying out those operations; and
 - (iii) any other information the minister may require.

22 Jly 88 cC-50.2 Reg 3 s6.

Idem

- 7(1) The minister may grant or refuse to grant a permit for which an application is submitted pursuant to section 6.
- (2) If the application for a permit is granted, the permit shall be recorded and a permit certificate shall be issued in the name of the applicant.
- (3) If the application for a permit is refused by the minister the applicant shall be advised of the reason for refusal and the recording fee and the rental fee submitted with the application shall be returned to the applicant.

22 Jly 88 cC-50.2 Reg 3 s7.

Size of permit areas

- 8(1) The permit area shall be not greater than 800 hectares, and shall:
 - (a) in a surveyed area, consist of one or more legal subdivisions and immediately adjacent highways as are available for disposition and have boundaries coinciding with those of the land survey system subdivisions pursuant to *The Land Surveys Act* or with the boundaries of existing surveyed land parcels; or
 - (b) in an unsurveyed area, have the boundaries of the permit area referenced to the UTM grid.
- (2) The minister may require the applicant for a permit covering unsurveyed lands described by reference to the UTM grid to mark out the boundaries of the permit area in accordance with the requirements specified by the administrator, or to have a legal survey made of those lands.

22 Jly 88 cC-50.2 Reg 3 s8.

Term of permit

- 9 Subject to section 12, the term of a permit shall be three years.

22 Jly 88 cC-50.2 Reg 3 s9; 5 Jne 2009
SR 56/2009 s3.

Idem

10 The term of a permit shall commence on the date specified in the permit certificate.

22 Jly 88 cC-50.2 Reg 3 s10.

Rental fee for permit

11 The annual rental fee for a permit shall be at the rate prescribed in Appendix 1 and shall be payable in advance.

22 Jly 88 cC-50.2 Reg 3 s11.

Changes to statements

11.1(1) During the term of a permit, a holder of a permit may apply to the minister to allow changes to be made to the statements submitted by the holder pursuant to clause 6(2)(e).

(2) The minister may approve or refuse to approve an application to allow changes pursuant to subsection (1).

5 Jne 2009 SR 56/2009 s4.

Renewal of permit

12(1) On or before the expiry date of the term of a permit, the holder may apply to the administrator for an extension of the term for a period of not more than six months.

(2) The minister may grant the extension if:

(a) the minister is satisfied with the exploration operations the holder has carried out on the permit lands or any lands adjoining the permit lands during the term of the permit or during the two years prior to the grant of the permit; and

(b) the minister deems it in the public interest.

(3) On or before the expiry of the extension period granted pursuant to this section a holder may apply to the administrator for a second extension period in accordance with subsection (1) and the extension may be granted in accordance with subsection (2).

(4) Upon expiry of a second extension period no further extensions shall be granted.

(5) The rental fee for an extension period shall be at the rate prescribed in Appendix 1 and shall be payable on or before the commencement of the extension period.

22 Jly 88 cC-50.2 Reg 3 s12; 5 Jne 2009
SR 56/2009 s5.

Requirement to submit details of operations

13(1) The holder of a permit shall, within 60 days immediately following the date of expiry of the term of the period or an extension thereof, submit to the administrator a return certified by affidavit, containing full details of:

- (a) the exploration operations carried out;
 - (b) the analyses of samples taken during exploration operations; and
 - (c) the expenditures made in exploration operations on the permit lands.
- (2) A report submitted pursuant to section 36 with respect to a coal test hole drilling program may be used in partial satisfaction of the requirements of subsection (1).

22 Jly 88 cC-50.2 Reg 3 s13.

PART III**Leases****Lease**

14(1) Subject to subsection (2), the minister may grant a lease of Crown coal lands with respect to Crown coal lands which are available for disposition.

(2) The minister shall grant a lease of Crown coal lands to the holder of a permit in good standing who:

- (a) prior to the end of the permit term or extension thereof makes application to the administrator to convert all or part of the permit lands into a lease or leases in accordance with this Part or Part IV;
- (b) has complied with the Act and these regulations; and
- (c) has substantially carried out the exploration operations proposed in the statement submitted by the holder pursuant to clause 6(2)(e) or the minister is otherwise satisfied with the exploration operations the holder has carried out on the permit lands or any lands adjoining the permit lands during the term of the permit or during the two years prior to the grant of the permit.

22 Jly 88 cC-50.2 Reg 3 s14; 5 Jne 2009
SR 56/2009 s6.

Application for lease in surveyed and unsurveyed area

15(1) An application for a lease of Crown coal lands shall be submitted in writing to the administrator.

(2) An application for a lease of Crown coal lands shall be accompanied by:

- (a) in a surveyed area, a legal description of the lands to be included in the lease;
- (b) in an unsurveyed area, a description of the lands to be included in the lease referenced to the UTM grid;

and shall further be accompanied by:

- (c) the recording fee prescribed in Appendix 1; and
- (d) the rental fee for the first year prescribed in Appendix 1.

22 Jly 88 cC-50.2 Reg 3 s15.

Size of lease areas

16(1) A lease area shall not be greater than 800 hectares and shall:

- (a) in a surveyed area, consist of one or more contiguous legal subdivisions as are available for disposition and have boundaries coinciding with those of the land survey system subdivisions pursuant to *The Land Surveys Act* or with the boundaries of existing surveyed land parcels; or
- (b) in an unsurveyed area, have boundaries referenced to the UTM grid.

(2) The minister may require the applicant for a lease covering unsurveyed lands described by reference to the UTM grid to mark out the boundaries of those lands in accordance with the requirements specified by the administrator, or to have a legal survey made of those lands.

22 Jly 88 cC-50.2 Reg 3 s16; 5 Jne 2009
SR 56/2009 s7.

Recording of lease

17(1) Upon receipt of an application for a lease which has been submitted in accordance with this Part by a person who has complied with the Act and these regulations, and upon execution and delivery of an instrument of lease in a form approved by the minister, the minister may, and, in the event the applicant is a holder of a permit to be converted into a lease in accordance with subsection 14(2), the minister shall record the lease.

(2) If an application is refused by the minister the applicant shall be advised of the reason for refusal and the recording fee and rental fee submitted with the application shall be returned to the applicant.

22 Jly 88 cC-50.2 Reg 3 s17.

Term of lease

18(1) Subject to section 21 and to subsection (2), the term of a lease shall be 15 years.

(2) The term of a lease granted pursuant to *The Coal Mining Regulations, 1957* shall be as specified in the instrument of lease but shall be renewable only in accordance with section 21.

22 Jly 88 cC-50.2 Reg 3 s18.

Commencement of term of lease

19(1) The term of a lease shall commence on the date specified in the lease document.

(2) Each of the successive 12 month periods during the term of a lease beginning with the date of commencement of that term shall be a lease year.

22 Jly 88 cC-50.2 Reg 3 s19.

Rental fee for lease

20 The annual rental fee for a lease shall be at the rate prescribed in Appendix 1 and shall be payable on or before the commencement of each year of the term of the lease.

22 Jly 88 cC-50.2 Reg 3 s20.

Renewal of lease

21(1) The holder of a lease may apply in writing to the administrator for a renewal of the lease for a further term of 15 years.

(2) An application for a renewal of a lease shall be accompanied by:

- (a) the recording fee prescribed in Appendix 1; and
- (b) the rental fee for the first year of the renewal term prescribed in Appendix 1.

(3) If:

- (a) the application for a renewal is received within 60 days prior to the expiry of the term of the lease; and
- (b) the holder has complied with the Act and these regulations;

the minister shall renew the lease for a further term of 15 years.

(4) Upon expiry of any renewal term, the holder of the lease may apply in accordance with subsections (1) and (2) for a further renewal term of 15 years and the minister shall grant the renewal if the holder has complied with subsection (3).

(5) The annual rental fee for each year of the renewal term shall be at the rate prescribed in Appendix 1 and shall be payable on or before the commencement of each year of the renewal term of the lease.

22 Jly 88 cC-50.2 Reg 3 s21.

Rights of holder of lease

22 Subject to section 48, a lease shall grant to the holder the exclusive right to explore for, mine, work, recover, procure, carry away and dispose of any coal found within the lease lands, and the lease shall be deemed to be a chattel real.

22 Jly 88 cC-50.2 Reg 3 s22.

PART IV**Lease of Crown Coal Lands Under Road Allowance****Lease required for highway**

23 No coal shall be extracted, recovered or produced from under any highway in Saskatchewan except as proved by this Part.

22 Jly 88 cC-50.2 Reg 3 s23.

Application for lease for highway

24 An application for a lease of Crown coal lands under any highway shall be submitted in writing to the administrator accompanied by:

- (a) a description of the proposed lease area with reference to legal descriptions of adjacent lands in a surveyed area or to a survey plan of a highway in an unsurveyed area;
- (b) a plan indicating the exact location of the lease area applied for;
- (c) documentation of approval for the proposed lease from the Minister of Highways and Transportation and from the municipality in which the proposed lease area is situated;
- (d) the recording fee prescribed in Appendix 1; and
- (e) the rental fee prescribed in Appendix 1.

22 Jly 88 cC-50.2 Reg 3 s24.

Rental fee for highway

25 The annual rental fee for a lease under a highway shall be at the rate prescribed in Appendix 1 and shall be payable on or before the commencement of each year of the term of the lease.

22 Jly 88 cC-50.2 Reg 3 s25.

Idem

26 With the exception of subsections 15(2) and 16(1) and subject to the provisions of this Part, the provisions of Part III relating to a lease shall apply to a lease issued under this Part.

22 Jly 88 cC-50.2 Reg 3 s26.

C-50.2 REG 3**COAL DISPOSITION****Area affected by lease**

27 No lease shall be granted which affects a greater extent of highway in a surveyed area than that adjacent to one side of one section, but for the purpose of these regulations one block of land at the intersection of two highways may be considered as adjacent to any one of four sections contiguous thereto.

22 Jly 88 cC-50.2 Reg 3 s27.

Damage to highway

28(1) If damage to a highway is caused by reason of the holder's mining operations the holder shall repair the damage to the satisfaction of the Minister of Highways and Transportation and the municipality in which the highway is situated.

(2) If the holder fails to repair the damage to the satisfaction of the authorities referred to in subsection (1):

- (a) the authorities may undertake to repair the damage; and
- (b) the holder shall pay the costs of the repair on demand to the authority that has incurred them.

(3) Notwithstanding subsection (2), the holder shall indemnify the municipality in which the highway is situated against any injury, loss or damage incurred as a consequence of his mining operations.

22 Jly 88 cC-50.2 Reg 3 s28.

PART V

Coal Test Holes

Definitions

29 In this Part:

- (a) **“approved log”** means a density log, a natural gamma log or an electrical log, each accompanied by a caliper log; and
- (b) **“coal test hole”** means a borehole of not more than 150 metres in depth drilled to or through a coal seam or seams for the purpose of exploring, evaluating or conducting any physical, chemical or engineering tests on the coal or on overburden covering the coal.

22 Jly 88 cC-50.2 Reg 3 s29.

Coal test hole

30 Coal test hole drilling on permit lands or lease lands shall be conducted and reported on in accordance with this Part.

22 Jly 88 cC-50.2 Reg 3 s30.

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Requirement to submit notice of coal test hole drilling

31 The holder of a permit shall submit to the administrator prior to commencement of a coal test hole drilling program notice thereof indicating the planned date of commencement and completion, accompanied by a map on a scale of at least 1:50,000 labelled "INITIAL PLAN" on which is indicated:

- (i) boundaries and identification of all dispositions;
- (ii) coal test hole sites or areas in which drilling is planned and the number of coal test holes to be drilled in each drilling site or area;
- (iii) sections, townships and ranges in a surveyed area and the 1000 metre UTM grid in an unsurveyed area; and
- (iv) the name of the permit holder.

22 Jly 88 cC-50.2 Reg 3 s31.

Requirement for gas detectors

31.1 No person shall carry on coal test hole drilling, unless the drilling rig is equipped with a natural gas detector and a sour gas detector.

5 Jne 2009 SR 56/2009 s8.

Coal test hole not to be drilled near water well, driveway, etc.

32(1) A coal test hole shall not be drilled within 75 metres of a water well, driveway, gateway, residence, school, church, public building, farm building, aircraft runway, cemetery, potash test well, producing, abandoned or shut-in oil and gas wells, or a gas, oil or water pipe line unless otherwise authorized in writing by the owner thereof.

(2) A coal test hole shall not be drilled in a location that may cause damage to or interrupt the use of a gas, oil or water pipe line, an electrical cable or a transmission line of a utility.

(3) A coal test hole drilled on a highway shall be confined to an area on either side of any highway no less than one metre from the toe of a road grade sideslope unless otherwise authorized by the agency having jurisdiction over the highway.

22 Jly 88 cC-50.2 Reg 3 s32.

Procedure if flow of gas or water encountered

33(1) If a flow of gas or artesian water is encountered in a coal test hole:

- (a) drilling of the hole shall cease and the porous horizons shall be sealed in a manner approved by the administrator; and
- (b) the person in charge of the drilling program shall notify the administrator of the details on an approved form within 72 hours of encountering the flow.

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(2) The administrator may grant an exemption from clause (1)(a) of this section in respect of a coal test hole in which a flow of water is encountered if the land owner and the operator of the drilling program have agreed to convert the flowing hole to a controlled water well.

(3) On completion of the conversion of a coal test hole to a controlled water well the operator of the drilling program shall forward to the administrator a release in an approved form which satisfies the administrator that the land owner has assumed full responsibility for the flowing hole which has been converted to a controlled water well.

22 Jly 88 cC-50.2 Reg 3 s33.

Abandoning coal test holes

34(1) Every coal test hole shall be abandoned as soon as possible and, in any event, not more than 20 days after its drilling is completed unless the administrator receives prior notification in writing that the hole is to be used for piezometric monitoring or dewatering of a planned mining area, in which case the hole shall be temporarily abandoned until used for such purposes.

(2) A coal test hole shall be abandoned in a manner which will not present a hazard and by:

- (a) filling the hole with drilling mud and material obtained from the hole;
- (b) inserting to a depth of 45 centimetres below the surface:
 - (i) an approved metal or plastic cap; or
 - (ii) a wooden or cement plug one metre in length; and
- (c) filling the hole from the cap or plug to the surface with tamped fill material; and
- (d) spreading any excess drilling mud and material obtained from the hole over the surrounding ground.

(3) The ground surrounding an abandoned coal test hole shall be restored as nearly as possible to its original condition.

(4) If freezing conditions prevent the proper plugging of a coal test hole a temporary plug may be inserted to surface level, but as soon as conditions permit abandonment of the hole shall be completed in accordance with subsections (2) and (3) of this section.

(5) A coal test hole shall not be left unattended unless a temporary plug is placed in the hole to surface level.

(6) The disposition holder shall assist the administrator in locating any coal test hole drilled under these regulations for the purpose of inspection.

22 Jly 88 cC-50.2 Reg 3 s34.

Requirement to log coal test

35(1) All coal test holes to a maximum of two per quarter section in a surveyed area and four per 100 hectares of disposition area in an unsurveyed area are required to be logged in accordance with subsection (4) provided the logged holes are located at least 400 metres apart.

(2) If a coal test hole drilling program indicates that only part of a quarter section or part of the disposition lands in an unsurveyed area contains coal, at least one of the two coal test holes in the quarter section and at least two of the four holes per 100 hectares of disposition area required to be logged pursuant to subsection (1), must be located within the part of the area that contains coal.

(3) For the purposes of subsection (1), a coal test hole drilled on a highway in a surveyed area may be included with those drilled on the quarter section immediately adjacent to the south or west of the highway, as the case may be.

(4) Upon completion of the coal test holes required to be logged under this section, the disposition holder shall take or cause to be taken an electrical log and at least one other approved log.

22 Jly 88 cC-50.2 Reg 3 s35.

Requirement to submit report of coal test hole drilling

36(1) The holder of a permit shall, within 60 days immediately following the date of expiry of the term of the permit or an extension thereof, submit to the administrator a report of all coal test hole drilling done on the permit lands accompanied by maps and technical data as specified in subsection (3).

(2) The holder of a lease shall within six months immediately following completion of coal test hole drilling on the lease lands submit to the administrator a report of drilling of coal test holes required to be logged pursuant to section 35 accompanied by maps and technical data as specified in subsection (3).

(3) Drilling reports required pursuant to subsections (1) and (2) shall be accompanied by:

- (a) a map on a scale of at least 1:50,000 on which is indicated:
 - (i) boundaries and identifications of all dispositions;
 - (ii) locations and identifications of all coal test holes reported on; and
 - (iii) sections, townships and ranges in a surveyed area and the 1000 metre UTM grid in an unsurveyed area.
- (b) two copies of all logs required pursuant to section 35 identified as to coal test hole number and location, disposition serial number and pertinent technical parameters; and
- (c) one copy of all coal analyses made on samples taken from reported coal test holes identified as to coal test hole number, location and depth of analysed samples and disposition serial number.

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(4) Reports and data submitted pursuant to subsection (1) may be used in partial or complete satisfaction of the requirements under subsection (2).

(5) The minister may require to be submitted by a disposition holder any other type of log, hole survey data or map that may have been taken by a disposition holder in connection with coal test hole drilling.

22 Jly 88 cC-50.2 Reg 3 s36.

PART VI
Royalties

Royalties

37 The royalty reserved and excepted and the payments to be made under a lease of Crown coal lands upon or in respect of all coal produced, saved or recovered from, or allocated under a unitization agreement to any Crown coal lands shall be calculated and paid in accordance with the schedule to these regulations.

22 Jly 88 cC-50.2 Reg 3 s37.

Requirement to commence commercial production

38(1) If, in the opinion of the minister, a holder of a lease has not commenced commercial production from the lease lands within five years from the date of commencement of the lease, or in the event the holder has suspended commercial production for one year, the minister may thereafter, at any time and from time to time, require the holder of the lease to satisfy the minister that the delay in commencing commercial production or the suspension of commercial production is not unreasonable.

(2) If, after having given the holder of a lease the opportunity to satisfy the minister pursuant to subsection (1), the minister is not satisfied that the delay in the commencement of commercial production or the suspension of commercial production, as the case may be, is reasonable, the minister may cancel the lease or may require that the holder of the lease commence or recommence, as the case may be, commercial production within a time specified by the minister, failing which the lease will be automatically cancelled.

(3) If, after having given the holder of a lease the opportunity to satisfy the minister pursuant to subsection (1), the minister is satisfied that the lease is required to provide a reserve to sustain future operations or to meet future firm contract commitments or for any other reason the minister may extend the time for commencing commercial production from the lease lands for a period he may deem reasonable.

22 Jly 88 cC-50.2 Reg 3 s38.

Royalty payer to keep books of account at or near mine

39(1) Every person liable to pay a royalty pursuant to a lease shall keep at or near each mine in the lease area proper books of account of all minerals, mineral ores and mineral-bearing substances taken from the mine, showing:

- (a) the quantity, weight and other particulars of the minerals, mineral ores and mineral-bearing substances and the value thereof; and
 - (b) the returns from smelter, mill or refining works until the weight thereof and any other facts and circumstances necessary for determining the amount of the royalty payable have been correctly determined and entered in the books of account.
- (2) In case of dispute, the minister shall determine the number and kind of books to be kept and the place at which the books shall be kept.

22 Jly 88 cC-50.2 Reg 3 s39.

Power of minister to determine royalty payable

40 The minister shall have the power to determine from time to time any questions that may arise in determining the amount of the royalty payable pursuant to a lease in any particular case including, without restricting the generality of the foregoing, power to settle the amount allowable as deductions for the purpose of determining the income derived from mining operations or gross sales or operating profits.

22 Jly 88 cC-50.2 Reg 3 s40.

Lien

41 All royalties, penalties and costs payable pursuant to any disposition or pursuant to these regulations shall be a special lien on:

- (a) any mine or mining property in the disposition area, on the disposition and disposition lands;
- (b) on all minerals, mineral ores and mineral-bearing substances taken from the disposition lands; and
- (c) upon all machinery in, on or connected with any mine or mining operations within the disposition lands;

in priority over any claim, privilege or encumbrance of any person, whether the right or title of that person has accrued before, or shall accrue after the attaching of the special lien, and its priority shall not be lost or impaired by any neglect, omission or error of any official, officer or person, or by want of registration and the lien may be realized by action for sale.

22 Jly 88 cC-50.2 Reg 3 s41.

C-50.2 REG 3**COAL DISPOSITION****Recovery of royalty, etc. by suit**

42 In addition to any other remedy available to the minister under the Act or these regulations, at law or in equity, if the royalty payable pursuant to a lease is not paid when due, that royalty together with penalties may be recovered from the owner, tenant, holder, lessee, occupier or operator of the mine, by suit of the minister in a court of competent jurisdiction together with the cost of the action.

22 Jly 88 cC-50.2 Reg 3 s42.

Injunction, etc.

43 In addition to any other remedies for the recovery of the royalty payable pursuant to a lease, an injunction or order in the nature of an injunction, or the appointment of a receiver with all necessary powers, or such other relief or remedy as may be deemed necessary or expedient for securing payment of the royalty may be obtained in a court of competent jurisdiction by the minister to prevent or restrict mining operations on the lease lands, or to provide for operations of production upon such terms and conditions as may be considered necessary.

22 Jly 88 cC-50.2 Reg 3 s43.

Distress

44 In case of default of payment of the royalty payable pursuant to any lease, the royalty, penalties and costs may be levied and collected by distress, together with the cost of distress, upon the goods and chattels, wherever found, of the person or any person liable for the payment of the royalty, penalties and costs under warrant signed by the minister, directed to the sheriff and in that event the sheriff shall realize the amount directed to be realized by the warrant, and all costs, by a sale of all or any part of those goods as may be necessary to satisfy the amount directed to be levied by the warrant.

22 Jly 88 cC-50.2 Reg 3 s44.

PART VII**General****Areas not available for disposition**

45 There shall not be available for disposition and no disposition shall be granted with respect to any area that is:

- (a) withdrawn by the minister;
- (b) already the subject of a disposition pursuant to these regulations, except upon conversion from a permit to a lease as permitted by these regulations;
- (c) set aside by the Government of Canada for Indian reserves, national parks, military reserves or other like reserves;
- (d) within the boundaries of any public park unless otherwise authorized by the lieutenant Governor in Council;

COAL DISPOSITION

C-50.2 REG 3

- (e) under disposition for mineral substances which are not governed by these regulations unless otherwise authorized by the minister; or
- (f) in a surveyed area that is deemed by the minister to be required for a public purpose and therefore not in the public interest to explore for, develop, mine or dispose of minerals therein.

22 Jly 88 cC-50.2 Reg 3 s45.

Priority between applications for disposition

46 For the purposes of determining priority between dispositions, the time and date of receipt by the administrator of a completed application for a disposition shall determine priority.

22 Jly 88 cC-50.2 Reg 3 s46.

Holder required to pay for any legal land survey

47 Any legal land survey of a disposition area shall be made at the expense of the holder and shall be conducted by a Saskatchewan land surveyor in accordance with instructions from the Controller of Surveys under *The Land Surveys Act*.

22 Jly 88 cC-50.2 Reg 3 s47.

Disposition not granting surface rights

48 A disposition granted pursuant to these regulations shall not grant a right to enter upon or use the surface of the lands described or referred to therein.

22 Jly 88 cC-50.2 Reg 3 s48.

Execution of disposition

49(1) A disposition document issued pursuant to these regulations shall be executed by the minister or by the administrator on behalf and with the consent of the minister.

(2) The minister may, upon notice to the holder, amend a disposition document to correct clerical errors.

22 Jly 88 cC-50.2 Reg 3 s49.

Certified copy of disposition

50 Any person may, upon payment of the fee prescribed in Appendix 1, obtain from the administrator a copy of a disposition document certified to be a true copy.

22 Jly 88 cC-50.2 Reg 3 s50.

Substitute disposition document

51 If a disposition document has been lost or destroyed, the administrator shall issue a substitute copy to the holder if he submits to the administrator:

- (a) written evidence of the loss or destruction verified by an affidavit of the holder; and
- (b) the fee prescribed in Appendix 1.

22 Jly 88 cC-50.2 Reg 3 s51.

Change of name of holder

52(1) If a holder of a disposition changes his name he shall submit to the administrator within 90 days thereof:

- (a) a written notification of the change of name;
- (b) the serial numbers of the dispositions affected thereby; and
- (c) the fee prescribed in Appendix 1.

(2) If the holder is a corporation that is required to be registered to carry on business in Saskatchewan pursuant to *The Business Corporations Act*, and it changes its name or amalgamates with another corporation, it shall, in addition to complying with subsection (1), submit to the administrator a copy of the certificate issued pursuant to *The Business Corporations Act* evidencing the amendment or amalgamation, as the case may be.

22 Jly 88 cC-50.2 Reg 3 s52.

Surrender by holder

53(1) A holder of a disposition in good standing or, if more than one holder, all holders of a disposition in good standing may surrender the entire disposition at any time by submitting to the administrator a written notice of termination and the disposition so surrendered shall terminate upon the date the written notice is received by the administrator.

(2) Upon surrendering a disposition, the holder thereof shall have no right or claim to a refund of any rental fee which he may have paid in advance.

22 Jly 88 cC-50.2 Reg 3 s53.

Minister may require submission of particulars of operations, etc.

54(1) Subject to subsection (2), a holder shall, upon a request in writing by the minister, submit written particulars of the results he has on record of any operations or submit maps relating to his operations.

(2) A holder shall not be obligated to provide samples, drill cores or maps for examination, or provide written particulars of confidential records of his operations until 60 days have elapsed since the time the information pertaining to or contained in the samples, drill cores, maps or confidential records was obtained by the holder.

22 Jly 88 cC-50.2 Reg 3 s54.

Data submitted to remain confidential

55(1) All technical data submitted to the administrator as required by these regulations with respect to coal test hole drilling and any other exploratory work, testing and analyses shall remain confidential until:

- (a) the permit or part thereof from which the data was derived lapses or is terminated; or
- (b) until one year from the date the lease from which the data was derived lapses or is terminated;

unless consent to the release of the data has been given in writing by the disposition holder.

(2) For purposes of this section technical data submitted with respect to any part of a permit which is converted to a lease in accordance with subsection 14(2) shall be deemed to have been derived from the lease.

22 Jly 88 cC-50.2 Reg 3 s55.

Only holder of lease may remove minerals or products

56 No holder other than a holder of a lease shall remove from the disposition lands any coal or coal-bearing substances except for the purpose of analysing and testing and for mineralogical or other scientific studies.

22 Jly 88 cC-50.2 Reg 3 s56.

Cancellation of disposition

57(1) In addition to any other remedy available to the minister under the Act or these regulations, at law or in equity, if a holder fails to comply with these regulations or any of the terms and conditions of his disposition the minister may give written notice to the holder that the disposition may be cancelled.

(2) If the holder has not remedied or commenced to remedy the default to the satisfaction of the minister within 60 days after the receipt of the notice, the minister may cancel the disposition.

(3) The notice referred to in this section shall be sent by registered mail to the holder at his last known address for service in the records of the department, and the notice shall be deemed to have been effected on the third day, exclusive of Sundays and statutory holidays, after it is mailed.

22 Jly 88 cC-50.2 Reg 3 s57.

Notification by holder of active operation of mine

58(1) The holder of a lease who produces any coal or coal-bearing substance from the lease lands shall, within ten days after the commencement of active mining operations on the lease lands, notify the administrator of the fact that a mine is in active operation, and shall give in the notice:

- (a) the name of the mine and the name and address of the owner, lessee, tenant, holder, occupier, manager or operator of the mine; and
 - (b) the name and address of the person to whom notices with respect to the operations may be sent.
- (2) The holder shall forthwith notify the administrator:
- (a) of every change in the information mentioned in clauses (a) and (b) of subsection (1); and
 - (b) of every discontinuance of active mining operations for a period in excess of 90 days, and subsequent resumption of those operations.

22 Jly 88 cC-50.2 Reg 3 s58.

PART VIII

Transfers

Transfer

59 In this Part, “**transfer**” means the instrument by which a holder unconditionally conveys a specific interest in a disposition to another person.

22 Jly 88 cC-50.2 Reg 3 s59.

Registrable transfers

60 A transfer with respect to an interest in a disposition that a holder is not prohibited from transferring or agreeing to transfer by any provision of the Act or these regulations or by the terms of the disposition may be registered under this Part, and the transfer may convey to any person:

- (a) the entire undivided interest of the holder in the disposition; or
- (b) a specific percentage of an undivided interest of the holder in a disposition.

22 Jly 88 cC-50.2 Reg 3 s60.

Registration of transfers

61(1) To register a transfer, there shall be submitted to the administrator:

- (a) two copies of the transfer on an approved form; and
 - (b) the applicable transfer fee prescribed in Appendix 1.
- (2) The administrator may refuse to register a transfer if:
- (a) the transfer is not unconditional;
 - (b) it is not submitted by or on behalf of the holder of the interest being transferred;
 - (c) it is not executed by the transferor and the transferee in a manner and accompanied by proof of execution satisfactory to the administrator;
 - (d) the interest to be transferred is greater than the interest recorded in the name of the holder on the records of the department;
 - (e) the transferee does not submit an address for service in Saskatchewan;
 - (f) the prescribed fee is not paid; or
 - (g) the Act and these regulations have not otherwise been complied with.
- (3) Upon acceptance of a transfer for registration of either the entire undivided interest or a specified percentage of an undivided interest of a holder in a disposition, the administrator shall:
- (a) stamp both copies of the transfer with the date the transfer was received by the department;
 - (b) endorse the copy of the disposition document maintained in the department with the date referred to in clause (a) and a memorandum of the transfer;
 - (c) assign to the transfer the next sequential instrument number and record the registration of the transfer in the document register of the department maintained for that purpose; and
 - (d) enter the instrument number on both copies of the transfer and mail or deliver one copy to the transferee.
- (4) When a transfer is executed by an attorney or agent, written proof of the authority of the attorney or agent satisfactory to the administrator shall be submitted to the department.

C-50.2 REG 3**COAL DISPOSITION****Effect of registration and priority among registered transfers**

62(1) Notwithstanding any rule of common law or equity to the contrary, a transfer which is not registered under this Part is void against any registered transfer.

(2) Notwithstanding any rule of common law or equity to the contrary, a transfer registered under this Part to which has been assigned a lower instrument number pursuant to subsection 56(3) than another transfer registered under this Part shall have priority over that other transfer.

(3) Upon the registration of the transfer of an interest in a disposition, the transferee becomes a holder with respect to the interest transferred.

(4) Failure to register a transfer of an interest in a disposition under this Part does not affect the validity of the transfer as between the transferor and the transferee.

(5) A transfer recorded or registered on the records of the department maintained for the purpose prior to the coming into force of this Part shall be deemed to have been registered under this Part.

22 Jly 88 cC-50.2 Reg 3 s62.

Abstract

63(1) Any person may, upon payment of the fee prescribed in Appendix 1, obtain from the administrator an abstract of the notations on a disposition document and of the document register maintained by the department for the purpose of registering transfers under this Part.

(2) Neither the minister nor the Crown nor any official or employee of the department shall be liable for any errors or omissions in any abstract or certificate furnished under subsection (1).

22 Jly 88 cC-50.2 Reg 3 s63.

PART IX**Repeal and Coming into Force****Repeal**

64 *The Coal Mining Regulations, 1957* being Saskatchewan Regulations 456/67 are hereby repealed.

22 Jly 88 cC-50.2 Reg 3 s64.

Appendix 1**FEEES**

<i>Description</i>	<i>Regulation Section</i>	<i>Amount</i>
1 Recording fee for permit	6	\$100.00
2 Annual rental fee for permit	6, 11	1.00 per hectare
3 Rental fee for permit extension for each 6-month extension	12	1.00 per hectare
4 Recording fee for lease or lease renewal	15, 21	100.00
5 Annual rental fee for lease or lease renewal	15, 20, 21	5.50 per hectare
6 Recording fee for highway lease or highway lease renewal	24	30.00
7 Annual rental fee for highway lease or highway lease renewal	21, 24, 25	20.00
8 Certified copy of a disposition document	50	15.00
9 Substitute disposition document	51	15.00
10 Registration of change of name of disposition holder	52	30.00
11 Registration of corporate amalgamation	52	30.00
12 Personal search of record per disposition document examined		10.00 per document
13 Registration of transfer of a disposition	61	30.00
14 Abstract of disposition	63	10.00

22 Jly 88 cC-50.2 Reg 3; 25 Sep 92 SR 93/92 s2.

SCHEDULE
Crown Coal Royalties
 PART I
Title, Application and Interpretation

1 This schedule may be cited as *The Crown Coal Royalty Schedule*.

Crown royalties

2 This schedule shall apply to the calculation and payment of royalties in respect of all coal extracted, recovered or produced from, or allocated under a unitization agreement to, any Crown coal lands.

27 Jly 88 cC-50.2 Reg 3 Schedule s2.

Definitions

3 In this schedule:

(a) **“average value of coal”** for a quarter means the royalty payer’s gross sales of coal for the quarter divided by the total number of units of coal extracted, recovered or produced from, or allocated to, any Crown coal lands which are subject to a lease held by the royalty payer and which are sold, transferred, disposed or consumed by the royalty payer during such quarter;

(b) **“gross sales of coal”** means the aggregate without duplication of all amounts each of which is an amount that was received or is receivable by the royalty payer as, on account of or in lieu of payment of, or in satisfaction of, revenue from the sale, disposition or transfer by the royalty payer of all coal extracted, recovered or produced from, or allocated to, any Crown coal lands which are subject to a lease held by the royalty payer;

(c) **“quarter”** means a calendar quarter ending on March 31, June 30, September 30 or December 31 in each year;

(d) **“royalty payer”** means the person named as the holder of a lease of Crown coal lands giving the right to produce coal therefrom, and, where there is more than one person so named, means each of those persons to the extent of his interest shown in the disposition or if not so shown, to the extent of his interest shown in the records of the department, and if the person named as holder in a lease is a partnership, each partner shall be deemed to be a royalty payer and to have incurred the expenditures and earned the net profit derived from mining and processing operations actually earned or incurred, as the case may be, by the partnership, to the extent of his interest in the partnership as shown in the partnership agreement, and the partnership shall be deemed not to be a royalty payer in respect of a lease of Crown coal lands; and

(e) **“unit”** means a metric tonne weighing 1000 kilograms.

27 Jly 88 cC-50.2 Reg 3 Schedule s3.

PART II

Royalties

Rate of Royalty

4(1) The payments to be made under a Crown lease by the royalty payer shall be 15% of his average value of coal related to the Crown lease in respect of each quarter.

(2) Average value of coal shall, for the purposes of this Part, be deemed to be related to a Crown lease to the extent that it is derived directly or indirectly from the sale or other disposition of coal extracted, recovered or produced from, or allocated to, Crown coal lands which are subject to the lease.

27 Jly 88 cC-50.2 Reg 3 Schedule s4.

Gross Sales of Coal

5(1) For the purposes of calculating the gross sales of coal for a quarter, the royalty payer shall be deemed to have received an amount equal to the following:

(a) the price agreed to in the contract of sale for the coal less such transportation costs from the mine gate, other ex-mine costs and treatment costs that may be approved by the minister; or

(b) where there is no contract of sale or where the transaction was not conducted at arm's length, a price equal to the fair market value of the coal.

(2) Notwithstanding subsection (1), where the minister is satisfied that the amount determined by the royalty payer to be included in the calculation of gross sales of coal for the quarter in respect of any coal does not accurately reflect the fair market value thereof, the minister shall so notify the royalty payer.

(3) Where the minister has provided notice to the royalty payer pursuant to subsection (2), the minister and the royalty payer shall negotiate with a view to arriving at the fair market value of the coal to be used for the purposes of determining the gross sales of coal for the quarter for the royalty payer.

(4) Where the minister and the royalty payer fail to agree on the fair market value of the coal within 90 days of the royalty payer receiving notice pursuant to subsection (2), the minister shall notify the royalty payer of the amount the minister considers to be the fair market value of the coal in which event the amount specified shall be deemed to be the amount included for the purposes of calculating gross sales of coal for a quarter for the royalty payer.

27 Jly 88 cC-50.2 Reg 3 Schedule s5.

Payment of Royalty

6 A royalty payer liable for the payment of royalties in respect of any quarter shall pay to the minister, within one month following the end of each quarter, the amount of royalty that is payable by him for that quarter.

27 Jly 88 cC-50.2 Reg 3 Schedule s6.

Saskatchewan resource credit

6.1(1) In this section, “**gross sales of coal related to a Crown lease**” means gross sales of coal that are derived directly or indirectly from the sale or other disposition of coal extracted, recovered or produced from or allocated to Crown coal lands that are subject to the lease.

(2) The royalty payer may deduct from the royalty payment pursuant to section 6 the Saskatchewan resource credit, which is equal to:

(a) for the quarter commencing on July 1, 1988 and for each subsequent quarter up to and including the quarter ending on March 31, 2013, 1% of the royalty payer’s gross sales of coal related to a Crown lease for the quarter; and

(b) for the quarter commencing on April 1, 2013 and for each subsequent quarter, 0.75% of the royalty payer’s gross sales of coal related to a Crown lease for the quarter.

(3) For the purposes of subsection (2), ex-mine costs mentioned in clause 5(1)(a) shall not be deducted in determining gross sales of coal pursuant to section 5.

18 Nov 88 SR 96/88 Schedule s2; 7 Jan 94 SR
109/93 s2; 25 Oct 2013 SR 80/2013 s2.

Royalty Returns

7 Every royalty payer shall submit to the minister two copies of a royalty return in form prescribed or acceptable to the minister, together with supporting statements, at the same time as the quarterly royalty payments are due.

27 Jly 88 cC-50.2 Reg 3 Schedule s7.

Existing Contracts

8 Within 90 days after this schedule comes into force, a royalty payer shall inform the minister in writing of the relevant terms of all existing contracts to which he is a party for the sale of coal from a mine, unless the minister has previously been informed of those contracts.

27 Jly 88 cC-50.2 Reg 3 Schedule s8.

Disclosure of Terms

9 A royalty payer shall:

(a) within 60 days after entering into a contract for the sale of coal produced from any Crown coal lands which are subject to a lease held by the royalty payer, inform the minister in writing of the relevant terms of the contract; and

(b) within 60 days of a written request from the minister, submit a certified copy of the sale contract.

22 Jly 88 cC-50.2 Reg 3 Schedule s9.